

7 December 2022

The Honorable Martin Glenn
United States Bankruptcy Court, Southern District of New York
One Bowling Green
New York, New York 10004-1408

Re: Celsius Network LLC, et al. ("Celsius"), Case Number 22-10964 / Motion to Release Loan Repayment or Collateral due upon Loan Completion

To The Honorable Judge Glenn,

Dear Sir, I am writing to formally petition the Court that for reasons of bad faith and non-compliance of their Lender's Terms and Conditions, Celsius be required to release and return to me specific Loan Repayment or Collateral funds that upon repayment I will demonstrate have been wrongfully withheld.

By way of background, please allow me to provide a summary time-line of events, as follows:

- April 29, 2021: Loan #38521 originated via Celsius mobile app, for \$32,000 USDC, against Collateral of 2.32782963 BTC. Annual Interest Rate: 1 percent (e.g. paid \$26.72 monthly).
 - Impt Note: Under the T & C of the then-current Loan Agreement, at any point after six months from origination, I as the Loan recipient would be entitled to close the Loan by paying all interest payments due, together with a lump-sum payment in USDC (e.g. the same digital currency received) of the original \$32,000. Further, upon receipt of both fore-mentioned payments, the BTC Collateral would be released as immediately available funds to my Celsius BTC Account.
- April 12, 2022: Celsius advised all depositors via email their customers' Celsius Accounts were being divided into 'Earn' vs 'Custody' Accounts, without effectively providing clarity nor due Notice as to how these separate Accounts would impact Celsius depositors with outstanding Loans. I contend Celsius knew a priori that depositors with open Loans would be negatively impacted by having their Loans previously issued from 'generic' Celsius accounts (e.g. only accounts available at time Loans originated) now returned to inaccessible, locked 'Earn' Accounts, when (it is reasonable to believe Celsius knew) access to all depositors' accounts would be frozen within a matter of weeks. I further contend Celsius acted in bad faith by not disclosing this fact to allow each depositor with outstanding Loans to make informed decisions, serving his/her own best interest.
- June 12, 2022: As all interested parties know, Celsius froze depositors accounts on this date, effectively disabling all transfers in to, out of or between 'Earn' and 'Custody' accounts. With the benefit of hindsight, it is now evident Custody accounts have a more advantageous position for depositors to access and/or withdraw funds than Earn Accounts.
- June 13, 2022: I received a 'Margin Call' notice from Celsius, advising that I must within 24 hours either post more BTC Collateral or close outstanding Loan # 38521, in order to avoid

potential subsequent liquidation. Further, Celsius advised that funds now frozen in my Celsius accounts (and all depositors' accounts) could not be accessed to meet the Margin Call.

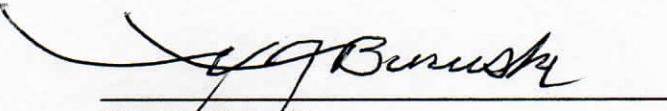
- Impt Note: On this date, when trade and press reports were legion that Celsius was preparing for Chapter 11 proceedings, I tried to make the case with Celsius Loan representatives by phone and email, to no avail, that Margin Calls should likewise be frozen, since access to Celsius deposit funds to close such positions were now being made inaccessible.
- June 14, 2022: Without any other fair or reasonable options available, I closed Celsius Loan #38521 by transferring USDC \$32,054.08 (e.g. outstanding monthly interest plus principle) to my Celsius Custody Account. Upon receipt of these incremental funds, Celsius unilaterally and irrespective of my request and the original T & Cs providing for Loan Collateral to be returned to the original account (e.g. at the time of Loan origination one account comprised both Earn and Custody holdings) released the BTC Collateral to my Celsius Earn Account, where it remains today, as I am unable to access or transfer the Loan Collateral or any digital assets being held on the Celsius platform.

In sum, your Honor, I earnestly request that Celsius, given their bad faith and non-compliance with the original Loan T & Cs described above, be compelled to return to me either the incremental \$32,000 USDC transfer (e.g. the Loan principle) OR the original BTC Collateral not yet released to me upon full repayment of Loan obligations.

By way of further background, I am filing a separate claim (via Stretto) for digital asset holdings unrelated to this motion (e.g. the Loan Amount / BTC Collateral referenced above represents only 1/3 of my total assets held on Celsius, based on prevailing valuations) still frozen on the Celsius platform. These assets I submit to be subject to Celsius' July 13, 2022 Chapter 11 Petition and proceedings to control reimbursement of depositor funds. I wish to make an explicit distinction between these overall portfolio holdings and the Celsius Loan Repayment and BTC Loan Collateral detailed above. I ask the Court to consider the latter assets separately, as antecedent to their July 13th Chapter 11 Petition, given the extraordinary 24-hour-sequence of Celsius freezing depositor accounts, issuing the Margin Call, and Celsius' unscrupulously extorting incremental funds to avoid liquidation by freezing my available funds on deposit sufficient to satisfy the Margin Call.

Thank you for your consideration.

Kind regards,



Vincent J Burniske

2708 Segovia Street
Coral Gables, FL 33134
vburniske@gmail.com

Loan Number: 38521

Lender

Celsius Networks Lending LLC
221 River Street, 9th Floor
Hoboken, NJ 07030, USA

Borrower

Vincent Burniske
2704 Segovia Street, Coral Gables,
33134
Florida, United States

TRUTH IN LENDING DISCLOSURE STATEMENT

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate. 1.00%	The dollar amount the credit will cost you. \$561.12	The amount of credit provided to you or on your behalf. \$32,000.00	The amount you will have paid after you have made all payments as scheduled. \$32,561.10

Your payment schedule will be:

Number of payments	Amount	When payments are due
21 _____	\$26.72 _____	First payment is due on <u>05/29/2021</u> and each subsequent payment is due monthly thereafter on the same day of each month
1 _____	\$32,000.00 _____	Last payment is due on <u>01/29/2023</u>

Security: You are giving a security interest in the following collateral:

Pledged digital assets.

Late Charge: If a payment is late, you will be charged a late fee of eighteen percent (18%) per annum (calculated daily) (i.e., 0.049%) of the scheduled payment for each day the payment is past due, when permitted by applicable law.

Prepayment: If you pay off early, you

[x] may [] will not have to pay a penalty.
[x] may [] will not be entitled to a refund of part of the finance charge.

The annual percentage rate does not take into account your required deposits.

This obligation has a demand feature.

See your contract documents for any additional information about nonpayment, default, margin calls, the right to accelerate the maturity of the obligation, prepayment penalties, collateral, and loan termination.

Loan Number: 38521

ITEMIZATION OF AMOUNT FINANCED

Itemization of Amount Financed of \$32,000.00

Amount given to you directly: \$32,000.00

Amount paid on your account: \$ N/A

Amount paid to others on your behalf: \$ N/A

Prepaid finance charge: \$ N/A

12:41

31



70%



HODL MODE: ON

Loan Overview

[ALL](#) [ACTIVE](#) [PENDING](#) [CLOSED](#) [REFINANCED](#)
\$ Completed Loan

32,000 USDC

Loan ID: #38521

Completion Date: Jun 14, 2022

Loan Originated: Apr 28, 2021

Loan Details

Payment History

28 JA N Principal -\$32,000.00
PAID

28 JUN Loan Interest -\$26.72
PAID

28 MAY Loan Interest -\$26.72
PAID

28 APR Loan Interest -\$26.72
PAID



Portfolio



Transfer



Buy



Swap



Borrow

